

Message Text

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17

ACTION EA-06

INFO OCT-01 SS-14 ISO-00 EB-03 NEA-06 SP-02 L-01 INR-05

NSC-05 NSCE-00 RSC-01 /044 W
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R 300622Z OCT 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5608

C O N F I D E N T I A L TOKYO 14068

LIMDIS

PASS TREASURY FOR CROSS AND WIDMAN

E.O. 11652: GDS

TAGS: EFIN, JA

SUBJ: PETRODOLLAR DEPOSITS

1. CHASE MANHATTAN VICE-PRESIDENT FOR INTERNATIONAL OPERATIONS, WILLIAM OGDEN, CALLED ON AMBASSADOR OCTOBER 29. IN COURSE OF GENERAL CONVERSATION TOUCHING ON PETRODOLLAR RECYCLING PROBLEM, OGDEN SAID ONE PROBLEM FOR BANKING SYSTEM WAS ARAB RELUCTANCE TO DEAL WITH ANY BUT BIGGEST NAME BANKS PLUS ARAB PREFERENCE FOR DEALING IN SMALL NUMBER OF LARGE TRANSACTIONS RATHER THAN LARGER NUMBER OF SMALLER TRANSACTIONS WHICH MANY BANKS MIGHT BE ABLE HANDLE. OGDEN ACKNOWLEDGED THIS HAS BEEN GOOD FOR CHASE, NOTING HIS BANK HAD BEEN THE INTERMEDIARY FOR \$1 BILLION SAUDI 5-YEAR DEPOSIT WITH BANK OF TOKYO. OGDEN SAID SECOND \$500 MILLION HAD BEEN DEPOSITED OCTOBER 25. IN REPLY TO QUERY, OGDEN SAID CHASE BEARING NO RISK IN THIS TRANSACTION AS TERM OF 5 YEARS ACCEPTED BY SAUDIS FOR ENTIRE TRANSACTION, I.E. CHASE NOT BORROWING SHORT FROM SAUDIS AND LENDING MEDIUM TO JAPAN.

2. EMBASSY RECOGNIZES TREASURY OR OTHER WASHINGTON AGENCIES MAY ALREADY KNOW FOREGOING (AN IN MORE DETAIL) BUT REQUEST SOURCE OF THIS INFO BE FULLY PROTECTED. DISCUSSION
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HERE WAS IN CONTEXT BOTH SAUDI AND GOJ SENSITIVITY TO

LEAKS ABOUT DETAILS OF PETRODOLLAR RECYCLING.
HODGSON

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, BANK DEPOSITS, CURRENCIES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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